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**FENCE COMPANY EXECUTIVE AND FORMER SCHOOLS OFFICIAL
AMONG THREE INDICTED IN ALLEGED BRIBERY AND FRAUD SCHEME**

CHICAGO – A former fence company executive and a former Chicago Public Schools official are among three men who are facing federal charges for allegedly swindling the school system in connection with fencing contracts and emergency snow removal work, federal authorities announced today. The fencing contracts involved minority and women-owned business fraud, while the snow removal work involved inflated invoices, the indictment alleges. The defendants, **James H. Levin, James W. Picardi, and Arthur F. Miller**, were charged in a three-count indictment that was returned by a federal grand jury late yesterday, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Byram Tichenor, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago.

Levin, 47, of Chicago, the former president of Tru-Link Fence and Products Co., and Tru-Link Commercial, Inc., was charged with one count of wire fraud. Picardi, 51, of Wauconda, the former assistant manager of operations and operations manager for the Chicago Public Schools, was charged with one count of conspiracy to commit bribery and one count of income tax evasion. Miller, 39, of Chicago, owner and operator of All Power Electric, was also charged with one count of conspiracy to commit bribery.

All three defendants will be arraigned at a later date in U.S. District Court in Chicago.

The indictment also seeks forfeiture of \$207,712 from Levin and an unspecified amount of illegal proceeds from Picardi.

According to the indictment, the CPS paid more than \$2.6 million to Tru-Link Fence between November 1998 and September 2000 in connection with some 106 fencing projects that were completed under a contract package that required that certain percentages of the work be performed by minority and women-owned businesses (known as MBE and WBE) as sub-contractors. The school board paid an additional \$254,239 to Tru-Link Commercial between January and July 2001 for 20 additional fencing projects under a separate contract. In seeking payment, Tru-Link represented that MBE and WBE firms, including Companies A, B and C, performed some work under the contracts.

After a 10-inch snowfall on Dec. 11, 2000, and the schools declared a “snow emergency,” Tru-Link Commercial was one of nine private companies that were hired to provide snow removal services. The CPS Department of Operations caused approximately \$369,460 to be paid to Tru-Link Commercial for snow removal work it purportedly performed.

The indictment alleges that Levin and others engaged in a fraud scheme to obtain money from the school board from January to August 2001. Levin was allegedly told by a Tru-Link vice president, identified as Co-Schemer A, that the fence contract bids and payment packages submitted by the company falsely represented that specific percentages of the work completed for each project would be or had been completed by certain MBE and WBE firms when, in fact, all of the work performed under the contracts was performed by Tru-Link Fence and Tru-Link Commercial, neither of which was certified as a minority or women-owned business.

In January 2001, Levin allegedly agreed with Co-Schemer A to pay approximately \$3,500 to Individual A to prevent Individual A from informing school board investigators about the false

representations made regarding the MBE work performed by Individual A's company – Company A – in the bid and payment materials submitted by Tru-Link Fence.

Also in January 2001, Levin allegedly caused false invoices that inflated the number of hours Tru-Link Commercial worked to be submitted to CPS for the December 2000 and January 2001 snow removal. As a result, CPS paid Tru-Link Commercial approximately \$207,712 that it was not entitled to receive.

As part of the alleged scheme, in March 2001, Levin and Co-Schemer A agreed to pay Individual B \$100,000 for fraudulently using the name of Individual B's company – Company B – as one of the certified MBE firms performing work under the fence contracts. Levin knew that Company B did not work on any of the projects, the indictment alleges. In June 2001, Levin agreed to pay Individual C approximately \$76,000 to be able to falsely represent that Individual C's company – Company C – was one of the certified MBE and WBE firms performing work when, in fact, it performed no such work. Levin also paid Individual C in return for Individual C's agreement to sign lien waivers that were submitted to the school board, according to the indictment.

Picardi and Miller were each charged with one count of conspiracy to commit bribery, allegedly agreeing with Levin that Picardi would assist Levin in obtaining work for Tru-Link with CPS in exchange for being paid approximately \$1,000 a week by Levin, and 10 percent of the amount of certain work Tru-Link performed for CPS, including the snow removal. Picardi allegedly received weekly payments totaling more than \$5,000 and other items of value from Levin in return for his assistance in obtaining CPS fencing contracts, the indictment alleges

Picardi allegedly directed Levin to make payments by check to Miller under the name of one of Miller's businesses, MPZ. Miller, knowing that the checks represented payments intended for Picardi, deposited at least two checks totaling \$57,000 from Levin into MPZ accounts and then

allegedly provided a portion of the money from those checks to Picardi to conceal the relationship between Picardi and Levin.

Picardi was also charged with one count of tax evasion for allegedly willfully filing a federal income tax return for 2001 that failed to identify all income that he had received, and to pay all of the taxes that were due, during that year.

The government is being represented by Assistant U.S. Attorneys Rick Young and Philip Guentert.

If convicted, each charge in the indictment – mail fraud against Levin; conspiracy against Picardi and Miller; and tax evasion against Picardi – carries a maximum penalty of five years in prison and a \$250,000 fine. As an alternative, the Court may impose a maximum fine on the mail fraud count equal to twice the loss to any victim or twice the gain to any defendant, whichever is greater. Restitution is mandatory and the Court would determine the appropriate sentence to be imposed.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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